



# OFFICE OF THE ATTORNEY GENERAL

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## MEETING MINUTES

**Name of Organization:** Technological Crime Advisory Board

**Date and Time of Meeting:** January 11, 2017, 10:00 a.m.

**Place of Meeting:** Video Conferenced Between:

Attorney General's Office  
 Mock Courtroom  
 100 N. Carson Street  
 Carson City Nevada

Attorney General's Office  
 Sawyer Building, Room 4500  
 555 E. Washington Avenue  
 Las Vegas, Nevada

### Attendees:

Las Vegas:	Carson City:
<p><b><u>Members in Attendance:</u></b>            Assemblyman Edgar Flores, Vice Chair            Jacob Cinco            Senator Moises Denis            Mathew McCarthy            Patrick Moers            Greg Weber</p> <p><b><u>Guests in Attendance:</u></b>            Rod Swanson            Daniel Westmeyer</p>	<p><b><u>Members in Attendance:</u></b>            Adam Laxalt, Chair            Jerry Baldrige            Patricia Cafferata, Executive Director            (Eric) Andrew Campbell            Edward Grassia            Shannon Rahming</p> <p><b><u>Guests in Attendance:</u></b>            Jim Estes            Laura Tucker</p>

1. **Call to order and Roll Call.**  
 Meeting called to order at 10:00 a.m., Patricia Cafferata called roll and confirmed there was a quorum present.
2. **Attorney General Adam Laxalt's welcome and self-introduction of members.**  
 Attorney General Adam Laxalt welcomed everyone to the meeting, and members introduced themselves.
3. **Swearing in of new committee members.**  
 None
4. **Public Comment. Discussion only. Action may not be taken on any matter brought up under this agenda item, until scheduled on the agenda of a future meeting for possible action.**  
 No Public Comment.

**5. Discussion for possible action to approve minutes of November 8, 2016 meeting.**

Laxalt asked for approval of the November 8, 2016 meeting minutes. Mathew McCarthy moved to approve the minutes. Shannon Rahming seconded the motion, and the motion passed unanimously.

**6. EITS Division Administrator Shannon Rahming report on the December 1, 2016 Cyber Clinic and future plans for additional clinics.**

**a. Cyber Clinic**

On December 1, 2016 a Cyber Clinic was held at the Governor's Mansion in Carson City. This Cyber Clinic was modeled after a Cyber Clinic held at the University of Nevada, Reno (UNR) and was coordinated by Rahming. Eighteen students from the Cyber Club at UNR, including a member, ranked 28<sup>th</sup> out of 1,050 collegiate students in a national Black Hat competition assisted in this event. For fun, giveaways at the door for those who attended included gift cards. One-Hundred-Eighty state employees attended from 23 different agencies, including a few family members.

The primary focus of the Cyber Clinic was mobile device basics, including back up, passwords, duo password, and having more than one access option. The Cyber Club did skills assessments of the participants, with rankings of either beginning, intermediate, or advanced levels. A skills sheet was given to each of the participants with recommendations and questions. Round tables were set up as stations for participants to talk to Cyber Club members. Rahming shared the positive feedback received at the event as well as a few pictures.

**b. Future plans for additional clinics**

There are requests for a similar clinic in Las Vegas. To that end, Rahming is in touch with James Elste, Co-Director of the Cyber Security Center at UNR, as well as contacting UNLV to see if there is a similar club. Rahming will also be contacting the College of Southern Nevada (CSN) as they have started a new cyber curriculum, to see if they would be interested in putting on a similar Cyber Clinic. If not, she will be looking into the possibility of bringing the UNR Cyber Club to Las Vegas for a Cyber Clinic. Senator Moises Denis volunteered to check with UNLV regarding whether or not an organization similar to the Cyber Club at UNR exists. When asked if a Las Vegas clinic could be run with fewer Cyber Club members, Rahming indicated that it could be done with approximately 12 members. A possible venue has been offered by Switch Company in its Innovation Center as a possible venue for a Las Vegas Cyber Clinic. This is preferable as the state buildings and local colleges have parking availability issues.

Additional clinics have been requested in Carson City for the city personnel and law enforcement agencies. Cyber Club at UNR is more than willing to participate in these clinics.

7. **Member Andrew Campbell to present information on the possibility of communication without digital means.**

No presentation available at this time. He noted that his research so far has shown that the publicly available information on infrastructure is out-of-date. As an educator, he is concerned about students being over dependent upon technology. In the event of a catastrophic change or disaster, education on what resources are available to students and how would they access them without a significant gap in their education. He hopes to have the presentation available for the next meeting.

8. **Possible action on 2017 goals**

a. **Methods for Hispanic outreach to educate the community of identity theft - Agenda Item 8(a) and educating small businesses on how to protect them from cybersecurity – Agenda Item 8(b).**

Assemblyman Edgar Flores has been working with the board on specific Hispanic outreach education regarding identity theft and other cybercrimes that are prevalent to that community. However, as agenda items 8(a) Hispanic outreach education regarding identity theft and 8(b) Small business cybersecurity education are directly connected, he suggested the Board’s outreach and education plans could be combined. Reno/Sparks Chambers, Clark County Chamber of Commerce, and the Hispanic Chamber of Commerce are all interested in being a part of these outreach programs. Laxalt proposed bringing these chambers together on these outreach programs.

Metro Deputy Chief Mathew McCarthy agreed that it would be beneficial to combine these items, as the needs of these communities are similar. Washoe County School District Edward Grassia noted that overreach in this area was not possible—that the compartmentalization of the training is not necessary.

Flores noted that there are some different issues in the Hispanic community than in the business community. Specifically he mentioned, phone schemes by predatory businesses using legal retaliation threats against Spanish-speaking only community.

Denis suggested that we remain flexible in the program in order to be inclusionary. The integration of the Cyber Clinic mobile device training would also be beneficial to add to these outreach plans. Laxalt agreed that it would be beneficial to add the Cyber Clinic education but that the logistics of bringing a Cyber Clinic to all of these communities might not be feasible. Instead, he suggested that if it is not feasible to have Cyber Clinic, the board create a self-contained program.

Campbell offered a suggestion regarding education of businesses to contact their insurance companies regarding coverage for their personal computers. In his experience, there are extension policies to include computers. These policies are a new feature that is worth adding to small businesses’ policies.

Laxalt asked if there was a motion for approval of moving forward with agenda items 8(a) and 8(b) together as one program. Flores so moved. Henderson Chief of Police Patrick Moers seconded the motion.

Discussion:

Denis asked for clarification if the board was moving to vote on agenda items 8(a) and 8(b) only or if there was going to discuss the other agenda items under #8. He wanted to discuss Public Service Announcements (PSAs). He further noted that he has worked with PSAs in the Hispanic Media and as well as the Nevada Broadcasters Association in the past.

Laxalt clarified that the vote would only pertain to the two agenda items 8(a) and 8(b) and the rest of the agenda items under 8 would be discussed after the vote. He sees PSAs as a subset of agenda items 8(a) and 8(b). However, he does not want to lock the board into PSAs yet due to budgetary considerations. He held that 8(a) and 8(b) as the general goal for 2017 and added that hopefully PSAs will be a part of that goal. He asked Denis if he is willing to work with the Board to reach out to broadcasting entities for possible PSA. He agreed.

Laxalt asked if there was any further discussion. No further discussion. The motion unanimously passed.

Laxalt asked the board members to e-mail Cafferata the bullet point input on these goals before the next meeting in April.

**b. Member suggestions for discussion - Agenda Item 8(e).**

Flores discussed ATM and credit card skimmers issue and the difficulties of small businesses to defend against ATM and credit card skimmers. Flores is authoring a bill to standardize the issuance and use of a sticker that show whether or not an ATM or credit card reader has been tampered with. The stickers work in three ways:

- 1) If part of the sticker is covered, it shows that a skimming device has been put on top of the ATM or credit card reader;
- 2) If the sticker has been cut, it can show that there has been tampering with the back of the credit card reader or ATM; and
- 3) Employees for the businesses that employ the stickers can do a quick visual inspection to see if the credit card reader or ATM has been tampered with.

Stickers are in use now, however, there is no universal standard. Without a universal standard for a sticker, anyone can purchase a sticker. Flores offered this as the most effective and economical solution for small businesses. There would be a bidding process, and one company would be chosen to print these stickers for the State.

McCarthy inquired if the State were to employ this system as a guarantee of safety, would the State be liable if the sticker was circumvented. Laxalt noted that there could be some possible liability issues depending on who would be making the sticker and setting the regulations.

Jacob Cinco of the United States Secret Service informed the Board that hot steaming and replacing these stickers is already taking place. The devices of the skimmers have become more sophisticated with Bluetooth technology which does not require any tampering of the reader, only one-time access. One key style is used for gas pump machines, only one key is needed to get access to the gas pump.

Instead of the State setting the standard, Cinco proposed that the credit card companies as well as gas companies would have to set the standards, since they are the ones who are charged with holding people's financial data. The small businesses are not necessarily liable for the circumventing of the credit card readers once swiped. With the stickers, there are issues regarding who is liable, if there is a breach.

Denis noted that if there is going to be legislation to fight this issue that the credit card companies should participate in the creation in that legislation. The public reliance on the sticker as a guarantee of safety and security is problematic, when there is a lack of education regarding the issue. If there is no incentive for the business to address this issue, perhaps publishing the names of the businesses that have been targeted might become incentive enough to force them to take action to curtail skimming.

Valley Bank's Greg Webber added that the sticker is a simple solution to a complex problem and not effective. Rather, education is needed on the part of the small businesses on how to monitor their own equipment and creating standard to protect customer information. Public education on these issues through PSAs on the issue to alert businesses when they see something suspicious. Larger businesses have access to technological professionals that are actively monitoring these problems. However, small businesses do not necessarily have that kind of support. Credit card companies already have aggressive programs for PCI compliance for Point of Sale transactions.

Flores thanked the Board members for their input, and he looks forward to discussing this further. If standards could be created with collaboration with law enforcement, it could ease the burden for law enforcement. Moving forward, the inclusion of credit card companies in any legislation would be for the best.

Moers stated the stickers are not a bad idea, as a tool for education. Education signage regarding skimming near card readers like the signage for gambling addiction in casinos could be a part of that education as well. This would inform the consumer of the dangers. Businesses should be required to notify their customers, when a breach has taken place. Customers are not finding out from the businesses that there has been a breach. Implementing a 30-day period after a breach for the business to advise their customers that there has been a breach might be a solution.

Laxalt asked the committee to bring information regarding this issue and possible remedies to the next meeting for a vote.

Denis inquired as to whether any cybercrime legislation has been proposed from the committee or state agency? Laxalt did not recall seeing any such legislation but offered to send any proposed bills he comes across.

Flores noted that there had been discussion about possession of a skimming device would be evidence of unlawful intent. McCarthy noted that the language could mirror enhancement for tools in a burglary—shows intent. However, this proposal was abandoned as devices, such as, credit card squares used for small businesses

would fall under that definition. Several committee members commented that skimming devices are so different in appearance that no one would mistake them for the legitimate devices used by businesses. Weber also noted that it is evident that the skimming devices serve no other purpose than to steal information. The average person might not see the sleeve skimming device but anyone in the industry would. He further added that skimming devices are not similar to legitimate business devices being used. Senior Deputy Attorney General Daniel Westmeyer noted that from the legislative perspective the difficulty is in drafting a piece of legislation that differentiates between legitimate business machines and skimmers. Laxalt asked and Westmeyer agreed to research for legislation in other states addressing this issue.

Grassia noted that education rather than legislation might be more effective to protect and inform people on how to take care of themselves. The technology is moving on quickly with card-less POS systems and ATMs. Anything that might be proposed this or next session could be obsolete before implementation. The Committee agreed.

Laxalt opened the floor for more suggestions. There were none.

**9. Announcement. Next meeting is set for April 5, 2017 at 10 a.m.**

**10. Public Comment. Discussion only. Action may not be taken on any matter brought up under this agenda item, until scheduled on the agenda of a future meeting for possible action.**

No Public Comment.

**11. Adjournment.**

The meeting was adjourned at approximately 11:03 a.m.

*Minutes respectfully submitted by Nicole E. Fairfield.*

In accordance with NRS 241.020, this agenda was posted on or before January 6, 2017 online at: [http://ag.nv.gov/About/Administration/Tech\\_Crime/2015\\_Mtgs/Tech\\_Crime\\_Meetings\\_2015/](http://ag.nv.gov/About/Administration/Tech_Crime/2015_Mtgs/Tech_Crime_Meetings_2015/) and at the following locations:

- Office of the Attorney General, 100 N. Carson Street, Carson City, NV 89701
- Office of the Attorney General, 5450 Kietzke Lane, Suite 202, Reno, NV 89511
- Office of the Attorney General, Grant Sawyer Building, 555 E. Washington Ave., Las Vegas, NV 89101
- Legislative Building, 401 N. Carson Street, Carson City, NV 89701
- Capitol Building, 101 N. Carson Street, Carson City, NV 89701

Meeting materials may be requested from Patricia D. Cafferata, Advisory Board Executive Director, at (775) 684-1136 or [pcafferata@ag.nv.gov](mailto:pcafferata@ag.nv.gov), and obtained from the Office of the Attorney General at any of the first three (3) locations listed above.